

The Pros and Cons of Distribution Channels for Custom Apparel



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Congratulations, you've just decided to start your own custom apparel brand.

Your designs are ready to manufacture, and you're pumped!

But there is just one pressing question that you need to answer before it's go time:

How and where are you going to sell your custom apparel?

If you're looking to get your products into the hands of as many people as possible, then you'll need to carefully consider your options.

Which **distribution channel** is right for your brand?

In this guide, we're going to cover the most common custom apparel distribution channels and the pros and cons of each:

- Your own brick-and-mortar store
- Wholesale
- Online marketplaces
- Direct-to-consumer (D2C)
- Third-party logistics (3PL)
- Dropshipping
- Omnichannel

Let's dive in.

Your own **brick-and-mortar store**

Brick-and-mortar stores are simply physical stores that sell stuff. These can be anything from small independent boutiques to large department stores.

In-store shopping is not going away anytime soon. If the idea of opening a store piques your interest, let's take a look at the pros and cons of selling your custom apparel through your own brick-and-mortar store:

Pros of brick-and-mortar

Potentially high foot traffic means more customers will be exposed to your brand.

Depending on the location you choose, you may have less competition from other brands. This will all depend on where your store is and how much traffic flows through the area.

For example, a mall storefront will have way more foot traffic than a store in an office building.

Customers can try on apparel before they buy it.

One of the main advantages of selling through a brick-and-mortar store is that it gives customers the opportunity to see, touch, and try on your products before they make a purchase. This is especially important for clothing brands because potential customers will want to know how the clothes fit and feel before they commit to buying them.

Online shopping can lead to returns and exchanges. In-store shoppers return clothes too, but if they have the opportunity to try on your apparel before they buy it, they're less likely to return it.

Customers can receive their purchase immediately.

We are in a generation of instant gratification. People want what they want, and they want it now. If a customer sees your custom apparel in-store and falls in love, they can take it home with them right then and there. No waiting for shipping times here!



Cons of brick-and-mortar

The cost of renting or owning a retail space can be expensive.

If you have limited startup capital, the cost of renting or owning a retail space may be out of reach. The price of a retail space will depend on factors like location, size, and the type of property.

In general, you can expect to pay anywhere from \$5 to \$50 per square foot for a retail space. So, if you're opening a 1,000-square-foot store, you could be looking at a monthly rent of \$5,000 to \$50,000.

Of course, these numbers will vary depending on the location of your store. A retail space in Manhattan will cost way more than a store in a small town.

You'll need to staff your store.

Another factor to consider is the cost of staffing your store. Unless you plan on running the store yourself, you'll need to hire employees to help out.

You may encounter other costs like employee training, uniforms, and payroll taxes. All of these expenses can add up quickly and eat into your profits.

You're limited to selling in one location.

The biggest downside of brick-and-mortar stores is that you're limited to selling in one location.

If you open a store in New York City, you're only going to be able to sell to people who live in or near the city. The same goes for any other physical location.

This can be a major drawback, especially if you're trying to reach a national or international audience.

(However, you can always sell online in addition to your physical location. More on that later.)

Wholesale

The next distribution channel we'll discuss is wholesale. Wholesale is when you sell your products to retailers who then sell them to customers. This is a common distribution channel for clothing brands.

Pros of wholesale

You can reach a larger audience.

Major retailers have the ability to reach a lot of people through advertising. They can also place your products in stores that are located in different parts of the country (or even other parts of the world!)

Wholesale gives you a much better chance of reaching your target market and selling your products.

You don't have to worry about marketing (as much).

Another advantage of selling through wholesale is that you don't have to worry about marketing your products.

When you sell through retailers, they will take care of at least some of the marketing for you. They will create ad campaigns and do whatever it takes to get people interested in your products.

By leaving the marketing tasks to your retail partners, you can free up a lot of your time and energy so you can focus on other aspects of your business.

You don't have to staff a store.

Your retailers will hire employees, train them, and manage them. This can save you a lot of money and hassle.

Cons of wholesale

You have less control over your products.

The retailer has the final say in how your products are displayed and marketed. They may not place your products in the most prominent locations in the store.

Your retailer may also run marketing campaigns that you don't 100% agree with. This can be frustrating if you're trying to build a certain image for your brand.

You can't really control your prices.

The retailer is going to set the price for your products based on their own needs and margins. In other words, you may not be able to sell your products for as much as you want to.

If you're selling luxury items, this can be a major problem.

You have to wait for payment.

The retailers need time to sell your products before they pay you. If you're trying to run a cash-flow positive business, you may not want to wait months to get paid.

As a buffer, you may need to take out loans or find other sources of funding to tide you over until you get paid.

Online **Marketplaces**

Online marketplaces are websites where you can sell your products to customers. Amazon is a prime example.

Pros of online marketplaces

You can reach a global audience.

People from all over the world shop online. If you sell your products on Amazon, for example, you could potentially reach millions of people. This gives you a much better chance of finding customers to buy your products.

Marketplaces will take care of some of the marketing for you.

Since these marketplaces make money when your products sell, they will put forth an effort to market your custom apparel. But since Amazon and other popular online marketplaces are saturated, your clothing might not receive the royal treatment.

We definitely recommend investing in marketing on your own to drive traffic to the online marketplaces that sell your products.

You don't have to handle shipping.

Another advantage of online marketplaces is that you don't have to handle shipping. The marketplace will take care of that for you. They will find a shipping company, pack your products, and ship them to the customer.

Cons of online marketplaces

You have to pay fees (and sometimes a lot of them).

The marketplace will charge you a listing fee, a transaction fee, and/or a commission on each sale. You need to be aware of these fees before you decide to sell through an online marketplace.

You will not have much control over the customer experience.

The customer's experience is managed by the marketplace, not by you. That means you won't be able to build a strong relationship with your customers.

It will be difficult to stand out from the competition.

Since there are millions of products for sale on online marketplaces, it can be hard to make your custom apparel stand out. You will need to have a well-optimized listing if you want to attract buyers to your products.

The marketplace will charge you **a listing fee, a transaction fee, and/or a commission on each sale.**



Direct-to-consumer

The next distribution channel we'll discuss is direct-to-consumer, which is when you sell your products directly to customers, without going through a middleman.

There are a few different ways you can do this. You can sell your products on your own website, through social media, or at trade shows and events. Let's take a look at the pros and cons of selling direct-to-consumer:



Pros of direct-to-consumer

You have complete control over what happens to your products.

When you sell through a middleman like a retailer or an online marketplace, they can do essentially whatever they want with your products.

But when you sell direct-to-consumer, you have complete control over how your products are presented to customers.

You can also manage the customer experience from start to finish. This is important if you're trying to collect data from your customers and build real relationships with them.

You make more money per sale.

Another advantage of selling direct-to-consumer is that you make more money per sale. You don't have to share your profits with anyone.

When you sell through a retailer, they will take a commission on each sale. But when you sell direct-to-consumer, you get to keep all your money.

This means that you can afford to charge less for your products (if you want) and still earn the same profit.

You can truly curate your brand.

You're the one who is in direct contact with the customer.

You're the one who is responsible for creating the branding and marketing materials.

And you're the one who decides how your brand will be presented to the world.

This gives you a lot of power to shape your brand and build it into something that customers will love.

Cons of direct-to-consumer

You have to handle shipping.

When you sell direct-to-consumer, you're responsible for finding a shipping company, packing your products, and shipping them to the customer. This can be time-consuming and expensive.

You have to handle customer service.

If you don't like responding to customer questions and complaints, you'll either need to hire someone to help you or choose a different distribution channel.

It's absolutely crucial to have a good customer service plan in place before you start selling direct-to-consumer. The reputation of your brand depends on it.

You need to invest in marketing.

With direct-to-consumer, the success of your brand depends on the effectiveness of your marketing. You need to invest your valuable time and money into marketing your products if you want to succeed.

The marketing tasks will include creating a website, social media accounts, and email marketing campaigns. You'll also want to invest in SEO so new customers can find your products online.



Third-party logistic (3PL)

Third-party logistics (3PL) is a type of distribution that uses a third party to manage the inventory, shipping, and other logistics for a business.

For example, if you're selling products online, you can use a 3PL provider to store your products in their warehouse, pick and pack orders, and ship them to your customers.

Pros of using a 3PL

You can outsource your logistics.

You don't have to invest in hiring staff or building a warehouse. You can save money on overhead costs, which will allow you to focus on other aspects of your business.

You can scale quickly.

Since 3PL providers have their own infrastructure in place, you can use their services to accommodate a sudden increase in orders. This can be helpful if you're experiencing growth or seasonal spikes in demand.

You can focus on your core business.

By outsourcing your logistics, you can spend more time on developing your products and marketing your business.

Cons of using a 3PL

You have less control over your logistics.

You're relying on the 3PL provider to handle your orders correctly. This can lead to problems if the 3PL provider makes mistakes or doesn't meet your expectations.

You may need to pay more for premium service.

While most 3PL providers offer basic services at a reasonable price, you may need to pay extra for top-tier service. This can add to the cost of using a 3PL, and it may not be worth it if you're on a tight budget.

Dropshipping

Dropshipping is a common distribution channel for custom apparel brands that use print-on-demand (POD). In fact, most POD platforms are dropshipping services.

Dropshipping is a type of eCommerce business model where you sell products without having them in stock. When a customer orders a product from your store, your supplier ships the product directly to the customer.

Pros of dropshipping

You don't need to invest in inventory.

You're not actually stocking the products yourself, so you don't need to pay for warehousing or shipping costs. Therefore, you can start an eCommerce business with very little up-front investment.

You can start quickly.

You can launch your store almost immediately. No inventory required.

You can test products without risk.

You can try out new products without worrying about whether they'll sell or not. This means that you can quickly find the products that are most popular with your customers.

Cons of dropshipping

You have very little control over the product quality.

You have to rely on the supplier to provide high-quality products. And if there are any issues with the product, it's up to the supplier to fix them.

The shipping logistics are out of your hands.

It's up to your supplier to get the products to your customers on time. This can be a major problem if there are unexpected delays (or if your supplier simply drops the ball).

You will likely need to pay more per unit.

Since you're not buying in bulk, you'll usually need to pay a higher per-unit price for the product. This can lower your profits and make it harder to compete on price. You may also need to pay extra for features like rush shipping or polybagging.

Omnichannel

Omnichannel is a type of distribution that allows customers to purchase products through multiple channels.

For example, a customer might see a product on your website, and then purchase it in-store. Or they might see an ad for the product on TV and then purchase it online.

Omnichannel is different from multi-channel, which simply means selling through multiple channels. Omnichannel is a more integrated approach that considers the customer journey across all channels.

Pros of omnichannel

You can reach more customers.

You have more opportunities to sell your products, so you can reach a larger audience and boost your sales.

You can provide a better customer experience.

Your customers can choose the channel that's most convenient for them. Therefore, they're more likely to have a positive experience with your brand.

You can collect data from multiple channels.

The robust data you gather can be used to improve your strategy and make sure that customers have a seamless experience across all channels.

Cons of omnichannel

It is often expensive to set up.

The initial cost makes it difficult for small businesses to create omnichannel strategies.

It can be difficult to manage.

It's important to make sure that all channels are integrated and working together seamlessly. Without the right technology or staff, managing an omnichannel strategy could turn into a nightmare very quickly.

Once you've chosen your distribution channel,
**you're ready
to bring your custom apparel
to life.**

We offer bulk manufacturing for a range of product types, including:

- T-Shirts
- Long Sleeve T-Shirts
- Tank Tops
- Crewneck Sweatshirts
- Hoodies
- Zip-Up Hoodies
- Polo Shirts
- Hats

Choosing the right distribution channel is super important, but you also need to have a reliable manufacturer. Here's what we can offer you:

- Top-tier fabrics
- Retail-soft inks
- Quality-first printing techniques
- 100% on-time deliveries
- Fast turnaround times
- Private labeling services
- Transparent pricing
- Free estimates

Ready to rock?

We can't wait to hear about your project.

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